

UNIFIED SCHOOL DISTRICT NUMBER 368

Paola, Kansas

**FINANCIAL STATEMENT
AND
INDEPENDENT AUDITOR'S REPORT**

June 30, 2014

UNIFIED SCHOOL DISTRICT NUMBER 368

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District Number 368
Paola, Kansas

Report on Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District Number 368 of Paola, Kansas, as of and for the year ended June 30, 2014 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note C to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note C of the financial statement, the financial statement is prepared by Unified School District Number 368 of Paola, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District Number 368 of Paola, Kansas as of June 30, 2014, or changes in financial position and cash flows thereof for the year then ended.



Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the Unified School District Number 368 of Paola, Kansas as of June 30, 2014, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note C.

Other Matters***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures - actual and budget, individual fund schedules of regulatory basis receipts and expenditures - actual and budget, schedule of regulatory basis receipts and expenditures - agency funds, and schedule of regulatory basis receipts and expenditures - district activity funds (Schedules 1, 2, 3, 4 and 5 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying Schedule of Expenditures of Federal Awards is also presented for purposes of additional analysis as required by *U.S. Office of Management and Budget Circular A-133 Audits of States, Local Governments and Non-Profit Organizations* and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note C.

Other reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2014, on our consideration of Unified School District Number 368's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Unified School District Number 368's internal control over financial reporting and compliance.

Prior Year Comparative

The 2013 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures - actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2014 basic financial statement upon which we have rendered an unmodified opinion dated October 6, 2014. The 2013 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2013 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2013 basic financial statement. The 2013 comparative information was subjected to the auditing procedures applied in the audit of the 2013 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2013 basic financial statement or to the basic financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2013 comparative information is fairly stated in all material respects in relation to the 2014 basic financial statement as a whole, on the basis of accounting described in Note C.



Agler & Gaeddert, Chartered
October 6, 2014

Unified School District Number 368

Paola, Kansas

SUMMARY OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
For the Year Ended June 30, 2014

	Beginning Unencumbered Cash and Investments	Prior Year Cancelled Encumbrances	Receipts	Expenditures
Governmental Type Funds				
General Funds				
General	\$ 0	\$ 0	\$ 11,445,305	\$ 11,445,305
Supplemental General	216,305	0	4,005,538	3,878,525
Special Purpose Funds				
Adult Education	11,374	0	195,715	195,715
Adult Supplementary Education	39,266	0	84,960	86,040
At Risk	846,965	0	949,152	799,152
Bilingual Education	38,465	0	0	3,454
Capital Outlay	3,256,490	0	1,179,035	856,966
Driver Training	12,603	0	29,283	24,377
Food Service	263,399	0	952,034	922,903
Professional Development	79,104	0	91,958	33,289
Parent Education Program	3,930	0	214,254	214,254
Special Education	1,503,729	0	2,934,200	2,784,200
Vocational Education	556,410	0	649,243	499,243
Kansas Public Retirement System	0	0	2,074,890	2,074,890
Coop Special Education	1,705,953	0	13,411,931	13,355,902
Special Assessment	29,107	0	0	28,830
Title I	0	0	313,809	313,809
Title II A-Teacher Quality Improve	0	0	43,810	43,810
Vocational Education-Carl Perkins	0	0	35,671	35,671
Contingency Reserve	1,144,000	0	0	0
Student Material Revolving	635,542	0	228,189	198,055
Gate Receipts and User Charges	12,330	0	184,896	194,726
Bond & Interest				
Bond and Interest	2,294,920	0	2,724,833	1,536,136
Capital Projects				
Constrtuction	0	0	17,566,630	974,338
Business Type funds				
Health Insurance	1,227,479	0	1,898,349	2,135,063
Trust Type Funds				
Expendable Trusts				
Scholarship and Other Trusts	87,710	0	59,880	57,494
Nonexpendable Trusts				
Scholarship	258,094	0	3,702	3,702
Component Unit				
Endowment Trusts	2,171,706	0	858,253	468,831
Total reporting entity (excluding agency funds)	\$ 16,394,881	\$ 0	\$ 62,135,520	\$ 43,164,680

The accompanying notes are an integral part of this statement.

Statement 1

<u>Ending Unencumbered Cash and Investments</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash and Investments</u>		
\$ 0	\$ 79,390	\$ 79,390	Composition of ending cash and investments	
343,318	119,247	462,565	Demand Deposits	
11,374	0	11,374	Great Southern Bank	\$ (1,979,354)
38,186	2,053	40,239	First Option Bank	2,978,374
996,965	3,029	999,994	Activity Fund Accounts	138,779
35,011	0	35,011	Time Deposits	
3,578,559	319,715	3,898,274	Landmark Bank	191,953
17,509	0	17,509	First Option Bank	23,650
292,530	523	293,053	First Option Bank	15,356,730
137,773	8,275	146,048	First Option Bank	258,094
3,930	4,705	8,635	Security Bank	17,566,630
1,653,729	0	1,653,729	Less Agency funds per Schedule 3	<u>(133,918)</u>
706,410	3,044	709,454		
0	0	0		
1,761,982	42,129	1,804,111		34,400,938
277	2,000	2,277	Investments	
0	0	0	Stocks and Bonds	
0	43	43	of Endowment Trust	<u>2,561,128</u>
0	501	501		
1,144,000	0	1,144,000	Total cash and investments	\$ <u>36,962,066</u>
665,676	0	665,676		
2,500	2,361	4,861		
3,483,617	0	3,483,617		
16,592,292	955,050	17,547,342		
990,765	51,573	1,042,338		
90,096	2,707	92,803		
258,094	0	258,094		
<u>2,561,128</u>	<u>0</u>	<u>2,561,128</u>		
\$ <u>35,365,721</u>	\$ <u>1,596,345</u>	\$ <u>36,962,066</u>		

**Unified School District Number 368
Paola, Kansas**

**NOTES TO FINANCIAL STATEMENT
For year ended June 30, 2014**

NOTE A. MUNICIPAL REPORTING ENTITY

Unified School District Number 368 is a municipal corporation governed by an elected seven member board. This financial statement presents the Unified School District Number 368 (the municipality). The financial statement includes the municipality and a related municipal entity known as the Endowment.

The Unified School District Number 368 Endowment governing board is a volunteer group. The Endowment receives donations from the public and disburses these funds to eligible students from Paola High School.

NOTE B. REGULATORY BASIS FUND TYPES

The accounts of the District are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The District potential could have the following types of funds.

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific revenues sources (other than Capital Project and tax levies for long-term debt) that are intended for specific purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and used to make payments of general long-term debt.

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund – funds financed in whole or part by fees charged to users of goods or services (i.e. enterprise and internal service funds etc.).

Trust Funds – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency Funds – funds used to report assets held by the municipal reporting entity in purely a custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

NOTE C. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and departure from Accounting Principles Generally Accepted in the United States of America - The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above.

Unified School District Number 368 has approved a resolution that it is in compliance with K.S.A. 75-1120a (c) waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

Unified School District Number 368
Paola, Kansas

NOTES TO FINANCIAL STATEMENT
For year ended June 30, 2014

NOTE D. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget.
3. Public hearing after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

Adjustment to Comply with Legal Max – Unified school districts use this line item (for use in the budget column only) to adjust the certified budget to comply with the “Legal Max” budget. The State Board of Education calculates the “Legal Max” budget using enrollment figures. The District’s budgeted expenditures are limited to the lower of the published budget or the “Legal Max” budget.

Adjustment for Qualifying Budget Credits – Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

All legal annual operating budgets are prepared using the regulatory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year’s accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for the following special purpose funds, capital project funds, business funds and trusts:

Special Assessment	Title I
Title II A Teacher Quality Improvement	Vocational Education - Carl Perkins
Contingency Reserve	Student Material Revolving
Construction	Health Insurance

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing board.

Unified School District Number 368
Paola, Kansas

NOTES TO FINANCIAL STATEMENT
For year ended June 30, 2014

NOTE E. DEPOSITS AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost.

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the District or in an adjoining District if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices. The District rates investments (if any) as noted.

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All bank deposits were legally secured at June 30, 2014.

At June 30, 2014, the carrying amount of the District's bank deposits was \$16,968,227 and the bank balance was \$19,393,502. The bank balance was held by four banks reducing concentration risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, \$750,037 was covered by federal depository insurance, and \$18,643,465 was collateralized with securities held by the pledging financial institution's agents in the District's name.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments be adequately secured.

Concentration of credit risk - State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District had the following investments and maturities as of June 30, 2014. Fair value is based upon quoted market values:

Investment Type	Cost	Fair Value	Investment Maturities		Percent of Investment	Rating U.S.
			Less than 1	2 years		
Federated Gov't Obligations	\$ 17,500,000	\$ 17,500,000	\$ 17,500,000	\$ 0	0.996	S&P A-1+
Federated Gov't Obligations	66,630	66,630	66,630	0	0.004	S&P A-1+
Total	\$ 17,566,630	\$ 17,566,630	\$ 17,566,630	\$ 0	1.000	

Unified School District Number 368
Paola, Kansas

NOTES TO FINANCIAL STATEMENT
For year ended June 30, 2014

NOTE E. DEPOSITS AND INVESTMENTS - continued

The Unified School District Number 368 Endowment has bank deposits of \$157,143 and the bank balance was \$163,367. The difference between carrying amount and bank balance is outstanding checks and deposits. The balance was held by one bank which increases concentration risk. Of the bank balance, \$163,367 was covered by federal depository insurance.

Concentration of credit risk - Endowment investment policy places no limit on the amount the Endowment may invest in any one issuer. The Endowment had the following investments and maturities as of June 30, 2014. Fair value is based upon quoted market values:

Investment Type	Cost	Fair Value	Investment Maturities		Percent of Investment	Rating U.S.
			Less than 1	2 years		
Money Markets	\$ 455	\$ 455	\$ 455	\$ 0	0.001	N/A
Bonds	35,294	35,294	35,294	0	0.014	S&P A-1+
Mutual funds	2,368,236	2,368,236	2,368,236	0	0.985	S&P A-1+
Total	\$ 2,403,985	\$ 2,403,985	\$ 2,403,985	\$ 0	1.000	

NOTE F. IN-SUBSTANCE PAYMENTS

The District received \$665,075 for general fund and \$67,719 for supplemental general fund subsequent to June 30, 2014 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as in-substance receipt in transit and included as a receipt for the year ended June 30, 2014.

NOTE G. CAPITAL PROJECTS

In June 2014, a bond issue was passed. The bond issue will address District needs including safety and security, tornado shelters, renovate and make additions to Cottonwood Elementary, Sunflower Elementary, Paola Middle School, Adult Education Center and Paola High School and make improvements to other facilities throughout the District. The 2014 bonds will also be used to defease \$1,245,000 in 2012 bonds.

In addition, the proceeds from selling the bonds at a premium and the interest earnings on the proceeds will be allocated to the project as determined by the Board.

NOTE H. LONG-TERM DEBT

General Long-Term Debt

Long-term obligations consisted of the following during the year:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds:				
Series 2005	3% to 5.00%	05/17/05	\$ 14,895,000	09/01/15
Series 2009	3.25%	04/01/09	1,720,000	09/01/13
Series 2012	1% to 2.2%	06/26/12	3,460,000	09/01/18
Series 2014	2% to 5.00%	06/05/14	18,225,000	09/01/28

Unified School District Number 368
Paola, Kansas

NOTES TO FINANCIAL STATEMENT
For year ended June 30, 2014

NOTE H. LONG-TERM DEBT - continued

General Long-Term Debt - continued

Changes in long-term liabilities for the Unified School District Number 368 for the year ended June 30, 2014 were as follows:

	Beginning Balance	Additions	Reductions/ Payments	Net Change	Ending Balance
General Obligation Bonds:					
Series 2005	\$ 4,085,000	\$ 0	\$ 975,000	\$ (975,000)	\$ 3,110,000
Series 2009	315,000	0	315,000	(315,000)	0
Series 2012	3,460,000	0	1,245,000	(1,245,000)	2,215,000
Series 2014	0	18,225,000	0	18,225,000	#####
	<u>\$ 7,860,000</u>	<u>\$ 18,225,000</u>	<u>\$ 2,535,000</u>	<u>\$ 15,690,000</u>	<u>\$ #####</u>

Current maturities of long-term debt and interest for the next five years and in five year increments through the maturity are as follows:

	Year Ended June 30,							
	2015	2016	2017	2018	2019	2020-2024	2025-2028	Total
Principal								
General obligation bonds	\$ 1,520,000	\$ 2,195,000	\$ 2,135,000	\$ 1,220,000	\$ 1,245,000	\$ 6,800,000	\$ 8,435,000	23,550,000
Interest								
General obligation bonds	672,765	755,743	691,145	660,390	635,859	2,535,463	861,369	6,812,733
Total principal and interest	\$ 2,192,765	\$ 2,950,743	2,826,145	\$ 1,880,390	\$ 1,880,859	\$ 9,335,463	\$ 9,296,369	30,362,733

The District is subject to the municipal finance laws of the State of Kansas which limits the net bonded debt (exclusive of revenue bonds and special assessment bonds) the District may have outstanding to 14% of the assessed value of all tangible taxable property within the District, as certified to the County Clerk on the preceding August 25. Additional authority may be granted by the Kansas State Board of Education. At June 30, 2014, the statutory limit for the District was \$19,903,738 which the District has exceeded but this has been approved by the State. The District has defeased a portion of the 2012 series debt in the amount of \$1,245,000 through the use of bond proceeds from bond issue of 2014.

Defeasance of Debt

The District has defeased bonds from its 2005 bond issue in the amount of \$2,030,000 as of June 30, 2014.

Operating Leases

The District conducts a portion of its operations utilizing operating leases for copiers. Lease terms expire at various times. Current year rental payments under operating leases were \$30,049. Minimum future rental payments under operating leases as of June 30, 2014 are \$29,040 for 2015, \$29,040 for 2016, \$29,040 for 2017, \$29,400 for 2018 and \$19,360 for 2019, for a total of \$135,520.

Unified School District Number 368
Paola, Kansas

NOTES TO FINANCIAL STATEMENT
For year ended June 30, 2014

NOTE I. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Special Education	K.S.A. 72-6428	\$ 1,823,764
General Fund	Vocational Education	K.S.A. 72-6428	150,000
General Fund	Professional Development	K.S.A. 72-6428	58,669
General Fund	At-Risk (K-12)	K.S.A. 72-6428	949,152
General Fund	Student Material Revolving	K.S.A. 72-6428	90,148
Supplemental General Local Option	Professional Development	K.S.A. 72-6433	33,289
Supplemental General Local Option	Parent Education	K.S.A. 72-6433	26,340
Supplemental General Local Option	Special Education	K.S.A. 72-6433	956,808
Supplemental General Local Option	Student Material Revolving	K.S.A. 72-6433	30,134
Supplemental General Local Option	Vocational education	K.S.A. 72-6433	490,519

NOTE J. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Health Insurance

During the year ended June 30, 2014, employees of the District were covered by the District's medical self-insurance plan ("the plan"). The plan was established October 1, 2004. The District's contribution is \$400 per month for a single policy up to \$450 per month for a family policy per employee. All District employees, at their option, can authorize payroll withholdings to pay non-District provided contributions. Claims are paid by a third party administrators acting on behalf of the District. The plan is documented by contractual agreement.

The administrative contract between the District and the third party administrator is renewable annually and stop-loss premiums are included in the contractual provisions. The District was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through a commercial insurer licensed and eligible to do business in Kansas in accordance with Kansas Insurance Code. Stop-loss coverage was in effect for individual claims exceeding \$85,000 and for aggregate loss, which is limited to \$1,000,000 annually. Liabilities include an amount for claims that have been incurred but not reported (IBNR's). Liabilities are reported when it is probable that claims have been incurred and the amount of liability can be reasonable estimated. Claim liabilities are calculated by the plan administrator and are expected to be liquidated with expendable available financial resources.

	2014
Unpaid Claims, July 1	\$ 33,372
Incurred claims (including IBNR's)	1,783,317
Claim payments	1,765,117
Unpaid claims, June 30	\$ 51,572

Unified School District Number 368
Paola, Kansas

NOTES TO FINANCIAL STATEMENT
For year ended June 30, 2014

NOTE J. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS - continued

Other Post Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retiree's health insurance plan because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been qualified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Flexible Benefit Plan (I.R.C. Section 125)

The District adopted by resolution a salary-reduction flexible benefit plan (Plan) under section 125 of the Internal Revenue Service Code. All employees of the District are eligible to participate in the plan beginning the first day of the month following their employment. Each participant may elect to reduce his or her salary to purchases benefits offered through the Plan. Currently, benefits offered through the Plan include health insurance, dependent care coverage and medical reimbursement.

Compensated Absences

The District's policy is to recognize the cost of compensated absences when actually paid. The District's policies regarding vacation pay permits employees to accumulate sick leave of 12 days per year or one day per month for those employees whose contract is for 10, 11, or 12 months up to a total accumulation of 100 days. Upon retirement at age 62 (or at age 60 with at least 12 years of experience within the District), certified and classified personnel will be paid for the unused sick leave at the rate of \$65 per day. The District's policy also requires reimbursement to staff of \$65 per day for each day over the 100 days at the end of the school year.

The costs of accumulated sick leave are not recorded at the time the benefits are accrued. At June 30, 2014 the District paid sick leave pay for employees who will be 62 or older on or before June 30, 2014 or have accumulated in excess of 100 days in the amount of \$65,913. The District has not estimated the dollar amount of accumulated sick leave pay for any other group of employees.

NOTE K: PENSION PLANS

Defined Benefit Pension Plan

Plan description - The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

Funding policy - K.S.A. 74-4919 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is Tier 1 or Tier 2 member. The Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. State of Kansas is required to contribute the statutory required employer share.

**Unified School District Number 368
Paola, Kansas**

**NOTES TO FINANCIAL STATEMENT
For year ended June 30, 2014**

NOTE L. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settlement of claims has not exceeded commercial insurance coverage in any of the last three fiscal years.

NOTE M. OTHER INFORMATION

Reimbursed Expenses

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as revenue in the same fund. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits.

Ad valorem tax revenues

The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. One-half of the property taxes are due December 20, and distributed to the District by January 20. The second half is due May 10 and distributed to the District by June 5. The District Treasurer draws other available funds from the County Treasurer at designated times throughout the year.

Compliance with Kansas Statute

The District is not aware of any violations.

Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statement of the District at June 30, 2014.

NOTE N. SUBSEQUENT EVENTS

Subsequent Events: The District evaluated subsequent events through October 6, 2014, the date the financial statement was available to be issued. See note G. for projects which have been funded through the bond issue of 2014.

The District is currently awaiting the State's assessment of the District's share of the KPERS liability as required under the new GASB pronouncements. The liability will be computed on information provided by the State from 2014 data and will be recorded in 2015.

NOTE M. PRIOR PERIOD ADJUSTMENT

Endowment has been restated for checks written July 1, 2013 which were deducted as expenses for June 30, 2013.

Balance as originally reported for June 30, 2013	\$ 2,067,796
Checks	<u>103,910</u>
Balance as restated for June 30, 2013	<u>\$ 2,171,706</u>

**Required Regulatory Basis
Supplementary Information**

Unified School District Number 368

Paola, Kansas

SUMMARY OF EXPENDITURES-ACTUAL AND BUDGET

BUDGETED FUNDS

For the Year Ending June 30, 2014

	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>
General Funds		
General Fund	\$ 11,660,228	\$ (225,675)
Supplemental general local option	3,944,268	(65,742)
Special Purpose Funds		
Adult education	208,022	0
Adult supplementary education	125,766	0
At risk	1,569,362	0
Bilingual education	40,000	0
Capital outlay	2,720,000	0
Driver training	43,488	0
Food service	1,272,069	0
Professional development	99,104	0
Parent education program	218,184	0
Special education	3,740,136	0
Vocational education	690,079	0
Kansas Public Retirement System	2,100,770	0
Co-op special education	15,087,757	0
Bond and Interest		
Bond and interest	<u>1,536,136</u>	<u>0</u>
Total Certified Budget	\$ <u>45,055,369</u>	\$ <u>(291,417)</u>

Schedule 1

<u>Adjustment for Qualifying Budget Credits</u>		<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over (Under)</u>
\$	10,752	\$ 11,445,305	\$ 11,445,305	\$ 0
	0	3,878,526	3,878,525	(1)
	0	208,022	195,715	(12,307)
	0	125,766	86,040	(39,726)
	0	1,569,362	799,152	(770,210)
	0	40,000	3,454	(36,546)
	0	2,720,000	856,966	(1,863,034)
	0	43,488	24,377	(19,111)
	0	1,272,069	922,903	(349,166)
	0	99,104	33,289	(65,815)
	0	218,184	214,254	(3,930)
	0	3,740,136	2,784,200	(955,936)
	0	690,079	499,243	(190,836)
	0	2,100,770	2,074,890	(25,880)
	0	15,087,757	13,355,902	(1,731,855)
	<u>0</u>	<u>1,536,136</u>	<u>1,536,136</u>	<u>0</u>
\$	<u><u>10,752</u></u>	\$ <u><u>44,774,704</u></u>	\$ <u><u>38,710,351</u></u>	\$ <u><u>(6,064,353)</u></u>

Unified School District Number 368

Paola, Kansas

Schedule 2a

GENERAL FUNDS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

REGULATORY BASIS

For the year ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		<u>2014</u>		Variance Over (Under)
	<u>2013 Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Local sources				
Ad valorem property	\$ 2,307,265	\$ 2,339,982	\$ 2,206,270	\$ 133,712
Delinquent	47,723	61,339	37,868	23,471
Reimbursed expenses	17,456	10,752	0	10,752
Miscellaneous	0	2,824	0	2,824
County Sources				
In Lieu of Taxes IRBs	2,500	0	2,760	(2,760)
State sources				
Equalization aid	7,337,495	7,233,252	7,347,826	(114,574)
Special education aid	1,625,198	1,797,156	2,065,504	(268,348)
Total cash receipts	<u>11,337,637</u>	<u>11,445,305</u>	<u>\$ 11,660,228</u>	<u>\$ (214,923)</u>
Expenditures				
Instruction				
Salaries	4,687,050	4,664,708	\$ 4,650,752	\$ 13,956
Employee benefits	808,669	810,150	957,500	(147,350)
Purchased Property Services	0	0	5,000	(5,000)
Supplies	169,015	159,583	191,035	(31,452)
Student activities	93,308	89,478	90,590	(1,112)
Student support services				
Salaries	171,843	210,322	213,000	(2,678)
Employee benefits	22,748	29,547	30,950	(1,403)
Supplies	2,533	3,270	3,000	270
Instruction support staff				
Salaries	331,689	340,167	340,500	(333)
Employee benefits	27,961	28,547	27,600	947
Supplies	18,458	17,739	18,750	(1,011)
General administration				
Salaries	334,532	334,908	329,500	5,408
Employee benefits	68,680	64,942	72,700	(7,758)
Purchased professional services	11,364	19,723	10,000	9,723
Other	35,059	45,247	41,000	4,247
School administration				
Salaries	706,791	717,914	716,800	1,114
Employee benefits	106,828	124,878	116,450	8,428
Operations and maintenance				
Salaries	416,955	421,887	414,000	7,887
Employee benefits	89,880	92,563	95,700	(3,137)
Purchased property services	2,935	0	0	0

See Independent Auditor's Report

Unified School District Number 368

Paola, Kansas

Schedule 2a

GENERAL FUNDS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

REGULATORY BASIS

For the year ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	2013 Actual	2014		Variance Over (Under)
		Actual	Budget	
Expenditures (continued)				
Other supplemental services				
Salaries	\$ 190,773	\$ 197,999	\$ 199,000	\$ (1,001)
Operating transfers				
Special education	1,859,448	1,823,764	2,065,504	(241,740)
Vocational education	150,000	150,000	0	150,000
Professional Development	0	58,669	0	58,669
At risk (K-12)	1,031,118	949,152	1,069,362	(120,210)
Bilingual	0	0	1,535	(1,535)
Student material revolving	0	90,148	0	90,148
Adjustment to comply with				
legal maximum	0	0	(225,675)	225,675
Legal fund budget & expenditures	<u>11,337,637</u>	<u>11,445,305</u>	<u>11,434,553</u>	<u>10,752</u>
Adjustments for qualifying				
budget credits	<u>0</u>	<u>0</u>	<u>10,752</u>	<u>(10,752)</u>
Total expenditures	<u>11,337,637</u>	<u>11,445,305</u>	<u>\$ 11,445,305</u>	<u>\$ 0</u>
Receipts over (under) expenditures	0	0		
Unencumbered cash (deficit), July 1,	<u>0</u>	<u>0</u>		
Unencumbered cash (deficit), June 30,	<u>\$ 0</u>	<u>\$ 0</u>		

See Independent Auditor's Report

Unified School District Number 368

Paola, Kansas

Schedule 2b

GENERAL FUNDS
SUPPLEMENTAL GENERAL LOCAL OPTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		<u>2014</u>		Variance Over (Under)
	<u>2013 Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Local sources				
Ad valorem property	\$ 2,242,624	\$ 2,420,563	\$ 2,397,774	\$ 22,789
Delinquent	50,980	61,269	36,868	24,401
County sources				
Motor vehicle	293,302	293,789	274,606	19,183
Recreational vehicle tax	6,616	7,025	6,526	499
In lieu of taxes IRBs	2,240	2,773	2,796	(23)
State sources				
Supplemental state aid	<u>1,248,759</u>	<u>1,220,119</u>	<u>1,220,459</u>	<u>(340)</u>
Total cash receipts	<u>3,844,521</u>	<u>4,005,538</u>	<u>\$ 3,939,029</u>	<u>\$ 66,509</u>
Expenditures				
Instruction				
Supplies	136,558	103,203	\$ 155,900	\$ (52,697)
Student activities	26,064	24,243	0	24,243
Equipment	12,130	59,895	26,700	33,195
Other	0	0	20,000	(20,000)
General administration				
Purchased professional services	0	0	2,000	(2,000)
Purchased property services	100,937	81,586	123,966	(42,380)
Other purchased services	263,599	264,972	285,000	(20,028)
Operations and maintenance				
Salaries	204,699	211,889	219,300	(7,411)
Employee Benefits	36,276	39,687	40,970	(1,283)
Purchased property services	417,183	308,537	273,500	35,037
Other purchased services	38,704	21,730	37,800	(16,070)
Supplies	511,835	572,788	582,550	(9,762)
Vehicle operating services				
Other purchased services	426,389	436,641	480,000	(43,359)
Motor fuel	114,204	115,766	140,000	(24,234)
Other supplemental services				
Other purchased services	67,413	65,147	65,000	147
Supplies	4,263	4,438	5,000	(562)
Property	28,821	30,913	25,000	5,913

See Independent Auditor's Report

Unified School District Number 368

Paola, Kansas

Schedule 2b

GENERAL FUNDS
SUPPLEMENTAL GENERAL LOCAL OPTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		<u>2014</u>		Variance Over (Under)	
	<u>2013 Actual</u>	<u>Actual</u>	<u>Budget</u>		
Operating transfers					
Professional Development	\$ 50,000	\$ 33,289	\$ 20,000	\$ 13,289	
Parent education program	26,340	26,340	26,340	0	
Special education	706,577	956,808	1,024,632	(67,824)	
Student material revolving	200,000	30,134	0	30,134	
Vocational education	489,042	490,519	390,610	99,909	
Adjustment to comply with legal maximum	<u>0</u>	<u>0</u>	<u>(65,742)</u>	<u>65,742</u>	
Legal fund budget & expenditures	<u>3,861,034</u>	<u>3,878,525</u>	\$ <u>3,878,526</u>	\$ <u>(1)</u>	
Receipts over (under) expenditures	(16,513)	127,013			
Unencumbered cash, July 1	<u>232,818</u>	<u>216,305</u>			
Unencumbered cash, June 30	\$ <u>216,305</u>	\$ <u>343,318</u>			

See Independent Auditor's Report

Unified School District Number 368
Paola, Kansas

Schedule 2c

SPECIAL PURPOSE FUNDS
ADULT EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the year ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		2014		Variance
	2013	Actual	Budget	Over (Under)
Cash Receipts				
Local sources				
Miscellaneous	\$ 1,050	\$ 0	\$ 2,000	\$ (2,000)
State sources				
Adult basic aid	67,876	63,403	62,567	836
Federal sources				
Adult education aid	154,533	132,312	132,081	231
Total cash receipts	223,459	195,715	\$ 196,648	\$ (933)
Expenditures				
Instruction				
Salaries	76,632	103,349	\$ 115,541	\$ (12,192)
Employee benefits	26,405	28,368	27,068	1,300
Other purchased services	7,198	5,380	0	5,380
Teaching supplies	12,585	2,484	5,203	(2,719)
Other	0	0	6,289	(6,289)
Student support services				
Salaries	49,508	28,544	28,129	415
Other purchased services	0	0	2,500	(2,500)
Special area administration				
Salaries	42,007	20,379	18,792	1,587
Supplies	6,226	5,677	4,500	1,177
Operation and maintenance				
Other purchased services	2,899	1,534	0	1,534
Total expenditures	223,460	195,715	\$ 208,022	\$ (12,307)
Receipts over (under) expenditures	(1)	0		
Unencumbered cash, July 1	11,375	11,374		
Unencumbered cash, June 30	\$ 11,374	\$ 11,374		

Unified School District Number 368**Paola, Kansas**Schedule 2d**SPECIAL PURPOSE FUNDS
ADULT SUPPLEMENTARY EDUCATION FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the year ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		2014		Variance
	2013	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
Local sources				
Class fees	\$ 8,678	\$ 7,670	\$ 3,500	\$ 4,170
Miscellaneous	80	643	0	643
Reimbursements	70,183	76,647	83,000	(6,353)
Total cash receipts	78,941	84,960	\$ 86,500	\$ (1,540)
Expenditures				
Instruction				
Salaries	25,255	19,928	\$ 59,066	\$ (39,138)
Employee benefits	4,127	1,521	1,535	(14)
Purchased Professional				
& Tech Services	0	0	28,582	(28,582)
Other purchased services	29,542	31,895	3,000	28,895
Supplies	25,971	32,696	33,583	(887)
Total expenditures	84,895	86,040	\$ 125,766	\$ (39,726)
Receipts over (under) expenditures	(5,954)	(1,080)		
Unencumbered cash, July 1	45,220	39,266		
Unencumbered cash, June 30	\$ 39,266	\$ 38,186		

Unified School District Number 368
Paola, Kansas

Schedule 2e

SPECIAL PURPOSE FUNDS
AT RISK FUND (K-12)

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the year ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		2014		Variance
	2013			Over
	Actual	Actual	Budget	(Under)
Cash Receipts				
Operating transfers				
General fund	\$ 1,031,118	\$ 949,152	\$ 1,069,362	\$ (120,210)
Total cash receipts	1,031,118	949,152	<u>1,069,362</u>	<u>(120,210)</u>
Expenditures				
Instruction				
Salaries	629,366	704,617	\$ 1,358,462	\$ (653,845)
Employee benefits	47,077	50,617	51,400	(783)
Purchased professional services	6,550	8,050	7,500	550
Supplies	50,903	35,868	152,000	(116,132)
Total expenditures	733,896	799,152	<u>1,569,362</u>	<u>(770,210)</u>
Receipts over (under) expenditures	297,222	150,000		
Unencumbered cash, July 1	549,743	846,965		
Unencumbered cash, June 30	\$ 846,965	\$ 996,965		

Unified School District Number 368
Paola, Kansas

Schedule 2f

SPECIAL PURPOSE FUNDS
BILINGUAL EDUCATION

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the year ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		2014		Variance
	2013	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
Operating transfers				
General fund	\$ 0	\$ 0	\$ 1,535	\$ (1,535)
Total cash receipts	0	0	<u>1,535</u>	<u>(1,535)</u>
Expenditures				
Instruction				
Salaries	1,535	3,454	\$ 40,000	\$ (36,546)
Total expenditures	1,535	3,454	<u>40,000</u>	<u>(36,546)</u>
Receipts over (under) expenditures	(1,535)	(3,454)		
Unencumbered cash, July 1	40,000	38,465		
Unencumbered cash, June 30	\$ 38,465	\$ 35,011		

Unified School District Number 368
Paola, Kansas

Schedule 2g

SPECIAL PURPOSE FUNDS
CAPITAL OUTLAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the year ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		2014		Variance
	2013	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
Local sources				
Ad valorem property	\$ 993,239	\$ 1,012,866	\$ 1,051,325	\$ (38,459)
Delinquent	16,960	22,688	24,642	(1,954)
Interest	27,069	17,826	50,000	(32,174)
Other revenue	1,000	1,152	50,000	(48,848)
County sources				
Motor vehicle	92,523	106,231	146,991	(40,760)
Recreational vehicle	2,087	2,574	3,494	(920)
In Lieu of Taxes IRBs	0	0	1,496	(1,496)
Other				
Miscellaneous	19,898	15,698	0	15,698
Total cash receipts	<u>1,152,776</u>	<u>1,179,035</u>	<u>\$ 1,327,948</u>	<u>\$ (148,913)</u>
Expenditures				
Instruction				
Property	294,048	437,048	\$ 875,000	\$ (437,952)
Operation and maintenance				
Property	40,511	135,286	235,000	(99,714)
Facility acquisition & construction services				
Architectural and Engineering services	0	0	10,000	(10,000)
Other	271,932	284,632	1,600,000	(1,315,368)
Total expenditures	<u>606,491</u>	<u>856,966</u>	<u>\$ 2,720,000</u>	<u>\$ (1,863,034)</u>
Receipts over (under) expenditures	546,285	322,069		
Unencumbered cash, July 1	<u>2,710,205</u>	<u>3,256,490</u>		
Unencumbered cash, June 30	\$ <u>3,256,490</u>	\$ <u>3,578,559</u>		

See Independent Auditor's Report

Unified School District Number 368, Paola
Paola, Kansas

Schedule 2h

SPECIAL PURPOSE FUNDS
DRIVER TRAINING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the year ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		2014		Variance
	2013	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
Local sources				
Driver ed fees	\$ 20,930	\$ 21,888	\$ 20,880	\$ 1,008
State Sources				
State safety aid	7,440	7,395	10,005	(2,610)
Total cash receipts	<u>28,370</u>	<u>29,283</u>	<u>\$ 30,885</u>	<u>\$ (1,602)</u>
Expenditures				
Instruction				
Salaries	4,350	4,550	\$ 4,350	\$ 200
Employee benefits	337	5	350	(345)
Other purchased services	17,835	18,655	17,835	820
Supplies	214	324	15,953	(15,629)
Vehicle operations and maintenance				
Supplies	<u>1,501</u>	<u>843</u>	<u>5,000</u>	<u>(4,157)</u>
Total expenditures	<u>24,237</u>	<u>24,377</u>	<u>\$ 43,488</u>	<u>\$ (19,111)</u>
Receipts over (under) expenditures	4,133	4,906		
Unencumbered cash, July 1	<u>8,470</u>	<u>12,603</u>		
Unencumbered cash, June 30	<u>\$ 12,603</u>	<u>\$ 17,509</u>		

See Independent Auditor's Report

Unified School District Number 368**Paola, Kansas**Schedule 2i**SPECIAL PURPOSE FUNDS
FOOD SERVICE FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the year ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		2014		Variance
	2013	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
Local sources				
Student meal receipts	\$ 323,240	\$ 316,118	\$ 330,584	\$ (14,466)
Adult meal receipts	19,554	20,536	203,143	(182,607)
Ala Carte meals	120,078	120,979	0	120,979
Interest	706	1,347	3,000	(1,653)
Reimbursements	17,257	17,903	21,000	(3,097)
State sources				
Equalization aid	10,172	9,983	8,798	1,185
Federal sources				
Child nutrition programs	461,749	465,169	442,144	23,025
Total cash receipts	952,756	952,034	\$ 1,008,669	\$ (56,634)
Expenditures				
Food service operation				
Salaries	489,423	469,308	\$ 505,000	\$ (35,692)
Employee benefits	51,683	44,906	49,600	(4,694)
Other purchased services	2,866	2,754	4,000	(1,246)
Supplies	392,490	376,403	679,169	(302,766)
Property	10,228	24,339	23,000	1,339
Other	7,737	5,193	11,300	(6,107)
Total expenditures	954,427	922,903	\$ 1,272,069	\$ (349,166)
Receipts over (under) expenditures	(1,671)	29,131		
Unencumbered cash, July 1	265,070	263,399		
Unencumbered cash, June 30	\$ 263,399	\$ 292,530		

Unified School District Number 368
Paola, Kansas

Schedule 2j

SPECIAL PURPOSE FUNDS
PROFESSIONAL DEVELOPMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the year ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		<u>2014</u>		<u>Variance</u>
	<u>2013</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
	<u>Actual</u>			<u>(Under)</u>
Cash Receipts				
Operating transfers				
General	\$ 0	\$ 58,669	\$ 0	\$ 58,669
Supplemental General	<u>50,000</u>	<u>33,289</u>	<u>20,000</u>	<u>13,289</u>
Total cash receipts	<u>50,000</u>	<u>91,958</u>	<u>\$ 20,000</u>	<u>\$ 71,958</u>
Expenditures				
Student support services				
Purchased professional and technical services	\$ <u>22,875</u>	\$ <u>33,289</u>	\$ <u>99,104</u>	\$ <u>(65,815)</u>
Total expenditures	<u>22,875</u>	<u>33,289</u>	<u>\$ 99,104</u>	<u>\$ (65,815)</u>
Receipts over (under) expenditures	27,125	58,669		
Unencumbered cash, July 1	<u>51,979</u>	<u>79,104</u>		
Unencumbered cash, June 30	<u>\$ 79,104</u>	<u>\$ 137,773</u>		

See Independent Auditor's Report

Unified School District Number 368
Paola, Kansas

Schedule 2k

SPECIAL PURPOSE FUNDS
PARENT EDUCATION PROGRAM FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the year ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		2014		Variance
	2013	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
Local sources				
Other district payments	\$ 57,853	\$ 58,387	\$ 58,387	\$ 0
State sources				
Parent education aid	129,527	129,527	129,527	0
Operating transfers				
Supplemental general	26,340	26,340	26,340	0
Total cash receipts	<u>213,720</u>	<u>214,254</u>	<u>\$ 214,254</u>	<u>\$ 0</u>
Expenditures				
Student support services				
Salaries	133,715	150,778	\$ 147,350	\$ 3,428
Employee benefits	24,559	29,985	35,740	(5,755)
Purchased prof & tech services	4,772	1,671	1,100	571
Other purchased services	16,069	16,000	19,000	(3,000)
Supplies	11,475	4,969	3,500	1,469
Property	16,023	2,949	1,000	1,949
Other	7,107	7,902	10,494	(2,592)
Total expenditures	<u>213,720</u>	<u>214,254</u>	<u>\$ 218,184</u>	<u>\$ (3,930)</u>
Receipts over (under) expenditures	0	0		
Unencumbered cash, July 1	<u>3,930</u>	<u>3,930</u>		
Unencumbered cash, June 30	<u>\$ 3,930</u>	<u>\$ 3,930</u>		

See Independent Auditor's Report

Unified School District Number 368

Paola, Kansas

Schedule 21

SPECIAL PURPOSE FUNDS
SPECIAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the year ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		2014		Variance Over (Under)
	2013 Actual	Actual	Budget	
Cash Receipts				
Local sources				
Other	\$ 153,617	\$ 153,628	\$ 150,000	\$ 3,628
Operating transfers				
General	1,859,448	1,823,764	2,065,504	(241,740)
Supplemental general	706,576	956,808	1,024,632	(67,824)
Total cash receipts	<u>2,719,641</u>	<u>2,934,200</u>	<u>\$ 3,240,136</u>	<u>\$ (305,936)</u>
Expenditures				
Instruction				
Salaries	17,948	20,216	\$ 23,000	\$ (2,784)
Other purchased services	2,055,705	2,477,619	2,872,936	(395,317)
Supplies	387	40,310	555,200	(514,890)
Vehicle operating services				
Salaries	2,147	2,483	10,000	(7,517)
Employee benefits	1,519	1,736	2,500	(764)
Purchased property services	205,720	237,339	250,000	(12,661)
Other purchased services	1,407	4,497	26,500	(22,003)
Total expenditures	<u>2,284,833</u>	<u>2,784,200</u>	<u>\$ 3,740,136</u>	<u>\$ (955,936)</u>
Receipts over (under) expenditures	434,808	150,000		
Unencumbered cash, July 1	<u>1,068,921</u>	<u>1,503,729</u>		
Unencumbered cash, June 30	\$ <u>1,503,729</u>	\$ <u>1,653,729</u>		

See Independent Auditor's Report

Unified School District Number 368

Paola, Kansas

Schedule 2m

SPECIAL PURPOSE FUNDS
VOCATIONAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the year ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		2014		Variance Over (Under)	
	2013 Actual	Actual	Budget		
Cash Receipts					
Local sources					
Reimbursements	\$ 701	\$ 724	\$ 5,000	\$ (4,276)	
State sources					
State Aid	0	8,000	0	8,000	
Federal sources					
Vocational Aid	0	0	35,545	(35,545)	
Operating transfers					
General	150,000	150,000	0	150,000	
Supplemental general	489,042	490,519	390,610	99,909	
Total cash receipts	<u>639,743</u>	<u>649,243</u>	<u>\$ 431,155</u>	<u>\$ 218,088</u>	
Expenditures					
Instruction					
Salaries	392,052	396,432	\$ 549,774	\$ (153,342)	
Employee benefits	63,188	63,164	68,050	(4,886)	
Purchased professional & technical services	0	0	19,470	(19,470)	
Other purchased services	3,317	4,144	5,500	(1,356)	
Supplies	28,999	32,065	30,150	1,915	
Property	0	0	14,335	(14,335)	
Operations and maintenance					
Purchased property services	2,187	3,438	2,800	638	
Total expenditures	<u>489,743</u>	<u>499,243</u>	<u>\$ 690,079</u>	<u>\$ (190,836)</u>	
Receipts over (under) expenditures	150,000	150,000			
Unencumbered cash, July 1	<u>406,410</u>	<u>556,410</u>			
Unencumbered cash, June 30	<u>\$ 556,410</u>	<u>\$ 706,410</u>			

See Independent Auditor's Report

Unified School District Number 368**Paola, Kansas**Schedule 2n**SPECIAL PURPOSE FUNDS
KANSAS PUBLIC RETIREMENT SYSTEM****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the year ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		2014		Variance
	2013	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
State sources				
State aid	\$ 1,857,445	\$ 2,074,890	\$ 2,100,770	\$ (25,880)
Expenditures				
Instruction				
Employee benefits	1,499,338	1,675,844	\$ 1,693,051	\$ (17,207)
General administration				
Employee benefits	48,780	55,994	57,403	(1,409)
School administration				
Employee benefits	67,933	75,826	74,576	1,250
Maintenance				
Employee benefits	56,889	65,657	65,593	64
Instructional support				
Employee benefits	32,430	35,740	34,997	743
Student support				
Employee benefits	87,950	101,185	103,155	(1,970)
Other supplemental services				
Employee benefits	18,767	21,131	20,129	1,002
Student transportation services				
Employee benefits	383	48	226	(178)
Food service				
Employee benefits	44,975	43,465	51,640	(8,175)
Total expenditures	1,857,445	2,074,890	\$ 2,100,770	\$ (25,880)
Receipts over (under) expenditures	0	0		
Unencumbered cash, July 1	0	0		
Unencumbered cash, June 30	\$ 0	\$ 0		

See Independent Auditor's Report

Unified School District Number 368

Paola, Kansas

Schedule 2o

SPECIAL PURPOSE FUNDS
CO-OP SPECIAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the year ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		2014		Variance Over (Under)
	2013 Actual	Actual	Budget	
Cash Receipts				
Local sources				
Other districts payments	\$ 8,633,144	\$ 8,604,500	\$ 9,000,797	\$ (396,297)
USD 368 payments	1,835,385	2,288,608	2,927,936	(639,328)
Interest	4,042	7,345	10,000	(2,655)
Reimbursements	137,073	214,153	0	214,153
State sources				
Greenbush	220,320	181,388	0	181,388
Federal sources				
Title VI B	1,749,025	1,741,558	1,749,025	(7,467)
Medicaid	406,316	374,379	400,000	(25,621)
Total cash receipts	<u>12,985,305</u>	<u>13,411,931</u>	<u>\$ 14,087,758</u>	<u>\$ (675,827)</u>
Expenditures				
Instruction				
Salaries	9,900,349	10,092,713	\$ 10,225,133	\$ (132,420)
Employee benefits	1,440,786	1,444,643	1,614,000	(169,357)
Purchased professional services	1,061	13,449	239,700	(226,251)
Other purchased services	677,359	651,607	525,000	126,607
Supplies	119,663	120,176	1,247,000	(1,126,824)
Student support services				
Salaries	622,579	641,110	686,110	(45,000)
Special area administrative services				
Salaries	167,499	170,847	174,814	(3,967)
Other	0	0	3,500	(3,500)
Operations and maintenance				
Purchased professional services	6,614	8,929	10,000	(1,071)
Purchased property services	4,585	6,203	14,000	(7,797)
Other purchased services	92,598	95,694	120,000	(24,306)
Supplies	2,780	0	5,000	(5,000)
Vehicle operating service				
Other purchased services	113,832	101,905	210,000	(108,095)
Supplies	8,082	8,626	13,500	(4,874)
Total expenditures	<u>13,157,787</u>	<u>13,355,902</u>	<u>\$ 15,087,757</u>	<u>\$ (1,731,855)</u>
Receipts over (under) expenditures	(172,482)	56,029		
Unencumbered cash, July 1	<u>1,878,435</u>	<u>1,705,953</u>		
Unencumbered cash, June 30	\$ <u>1,705,953</u>	\$ <u>1,761,982</u>		

See Independent Auditor's Report

**Unified School District Number 368
Paola, Kansas**

Schedule 2o

SPECIAL PURPOSE FUNDS
SPECIAL ASSESSMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the year ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	2013 Actual	2014 Actual
Cash Receipts		
Local sources		
Ad valorem property	\$ 0	\$ 0
Expenditures		
Facilities acquisition		
Site improvement services	0	28,830
Receipts over (under) expenditures	0	(28,830)
Unencumbered cash, July 1	29,107	29,107
Unencumbered cash, June 30	\$ 29,107	\$ 277

See Independent Auditor's Report

Unified School District Number 368**Paola, Kansas**Schedule 2g**SPECIAL PURPOSE FUNDS****TITLE I****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL****REGULATORY BASIS**

For the year ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	2013 Actual	2014 Actual
Cash Receipts		
Federal sources		
Grant	\$ 348,676	\$ 313,809
Expenditures		
Instruction		
Salaries	294,997	259,901
Employee benefits	39,665	38,771
Purchased professional services	1,500	1,395
Student support services		
Other purchased services	3,858	4,089
Instructional support		
Other purchased services	8,656	9,653
Total expenditures	348,676	313,809
Receipts over (under) expenditures	0	0
Unencumbered cash, July 1	0	0
Unencumbered cash, June 30	\$ 0	\$ 0

See Independent Auditor's Report

Unified School District Number 368**Paola, Kansas**Schedule 2r**SPECIAL PURPOSE FUNDS****TITLE II A - TEACHER QUALITY IMPROVEMENT GRANT****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS**

For the year ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	<u>2013 Actual</u>	<u>2014 Actual</u>
Cash Receipts		
Federal sources		
Grants	\$ <u>46,858</u>	\$ <u>43,810</u>
Expenditures		
Instruction		
Salaries	23,048	23,796
Purchased professional & technical services	<u>23,810</u>	<u>20,014</u>
Total expenditures	<u>46,858</u>	<u>43,810</u>
Receipts over (under) expenditures	0	0
Unencumbered cash, July 1	<u>0</u>	<u>0</u>
Unencumbered cash, June 30	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>

Unified School District Number 368
Paola, Kansas

Schedule 2s

SPECIAL PURPOSE FUNDS
VOCATIONAL EDUCATION - CARL PERKINS GRANT

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the year ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	2013 <u>Actual</u>	2014 <u>Actual</u>
Cash Receipts		
Federal sources		
Grant	\$ 32,694	35,671
Expenditures		
Instruction		
Salaries	1,635	1,740
Supplies	12,364	5,874
Professional development	8,280	13,722
Property	10,415	14,335
Total expenditures	32,694	35,671
Receipts over (under) expenditures	0	0
Unencumbered cash, July 1	0	0
Unencumbered cash, June 30	\$ 0	\$ 0

Unified School District Number 368
Paola, Kansas

Schedule 2t

SPECIAL PURPOSE FUNDS
CONTINGENCY RESERVE

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the year ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	2013 Actual	2014 Actual
Cash Receipts		
Operating transfers		
General Fund	\$ 0	\$ 0
Expenditures	0	0
Receipts over (under) expenditures	0	0
Unencumbered cash, July 1	1,144,000	1,144,000
Unencumbered cash, June 30	\$ 1,144,000	\$ 1,144,000

Unified School District Number 368**Paola, Kansas**Schedule 2u**SPECIAL PURPOSE FUNDS
STUDENT MATERIAL REVOLVING FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS****For the year ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)**

	<u>2013 Actual</u>	<u>2014 Actual</u>
Cash Receipts		
Local sources		
Rental fees	\$ 115,302	\$ 107,907
Operating transfers		
General	0	90,148
Supplemental general	<u>200,000</u>	<u>30,134</u>
 Total revenue	 <u>315,302</u>	 <u>228,189</u>
 Expenditures		
Instruction		
Textbook purchases	<u>239,275</u>	<u>198,055</u>
 Receipts over (under) expenditures	 76,027	 30,134
 Unencumbered cash, July 1	 <u>559,515</u>	 <u>635,542</u>
 Unencumbered cash, June 30	 <u>\$ 635,542</u>	 <u>\$ 665,676</u>

See Independent Auditor's Report

Unified School District Number 368

Paola, Kansas

Schedule 2v

BOND AND INTEREST FUND
BOND AND INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the year ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		<u>2014</u>		Variance Over (Under)	
	<u>2013 Actual</u>	<u>Actual</u>	<u>Budget</u>		
Cash Receipts					
Local sources					
Ad valorem property	\$ 1,545,356	\$ 1,414,323	\$ 1,337,116	\$ 77,207	
Delinquent	37,282	43,670	25,398	18,272	
Bond proceeds	0	685,652	0	685,652	
Other	2,375	5,000	0	5,000	
County sources					
Motor vehicle	209,647	201,020	190,914	10,106	
Recreational vehicle	0	4,876	4,537	339	
In lieu of taxes IRBs	1,543	1,619	1,944	(325)	
State sources					
Equalization aid	<u>512,311</u>	<u>368,673</u>	<u>368,673</u>	<u>0</u>	
Total cash receipts	<u>2,308,514</u>	<u>2,724,833</u>	\$ <u>1,928,582</u>	\$ <u>796,251</u>	
Expenditures					
Debt service					
Bond principal	2,140,000	1,290,000	\$ 1,290,000	\$ 0	
Interest	<u>299,577</u>	<u>246,136</u>	<u>246,136</u>	<u>0</u>	
Total expenditures	<u>2,439,577</u>	<u>1,536,136</u>	\$ <u>1,536,136</u>	\$ <u>0</u>	
Receipts over (under) expenditures	(131,063)	1,188,697			
Unencumbered cash, July 1,	<u>2,425,983</u>	<u>2,294,920</u>			
Unencumbered cash, June 30,	\$ <u>2,294,920</u>	\$ <u>3,483,617</u>			

See Independent Auditor's Report

Unified School District Number 368
Paola, Kansas

Schedule 2w

CAPITAL PROJECT FUNDS
CONSTRUCTION

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the year ended June 30, 2014

	<u>2014 Actual</u>
Cash Receipts	
Other sources	
Bond proceeds	\$ <u>17,566,630</u>
Total cash receipts	<u>17,566,630</u>
Expenditures	
Construction	
Management fees	146,193
Architect fees	73,720
Demolition	24,968
Masonry	17,403
Carpentry	71,786
Glass & glazing	186,365
Gypsum assemblies	105,358
Acoustical ceilings	11,480
Flooring	17,600
Painting	7,485
Casework	10,730
Plumbing & HVAC	59,552
Electrical & communications	82,293
Electronic safety & security	157,183
Construction contingency	<u>2,222</u>
Total expenditures	<u>974,338</u>
Receipts over (under) expenditures	16,592,292
Unencumbered cash, July 1	<u>0</u>
Unencumbered cash, June 30	\$ <u><u>16,592,292</u></u>

See Independent Auditor's Report

Unified School District Number 368**Paola, Kansas**Schedule 2x**BUSINESS TYPE FUNDS
INTERNAL SERVICE FUND
HEALTH INSURANCE****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS**

For the year ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	<u>2013 Actual</u>	<u>2014 Actual</u>
Cash Receipts		
Local sources		
Interest	\$ 1,194	\$ 186
Other sources		
Miscellaneous income	2,142	14
Reimbursements	<u>1,850,924</u>	<u>1,898,149</u>
Total cash receipts	<u>1,854,260</u>	<u>1,898,349</u>
Expenditures		
General		
Claims	1,055,212	1,783,317
Administrative fees	<u>331,426</u>	<u>351,746</u>
Total expenditures	<u>1,386,638</u>	<u>2,135,063</u>
Receipts over (under) expenditures	467,622	(236,714)
Unencumbered cash, July 1	<u>759,857</u>	<u>1,227,479</u>
Unencumbered cash, June 30	<u>\$ 1,227,479</u>	<u>\$ 990,765</u>

Unified School District Number 368**Paola, Kansas****TRUST FUNDS
SCHOLASHIP FUNDS****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS**

For the year ended June 30, 2014

<u>Expendable Scholarship Trust Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>
Greason Scholarship	\$ 1,850	\$ 38	\$ 38	\$ 1,850
Humphrey Scholarship	10,037	163	160	10,040
Darland Scholarship	4,477	87	90	4,474
Hileman Scholarship	7,409	156	57	7,508
Charitable Foundation Scholarship	<u>63,937</u>	<u>59,436</u>	<u>57,149</u>	<u>66,224</u>
 Total Expendable Scholarship Trust Funds	 \$ <u>87,710</u>	 \$ <u>59,880</u>	 \$ <u>57,494</u>	 \$ <u>90,096</u>

<u>Permanent Trust Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>
Cook Scholarship	\$ <u>258,094</u>	\$ <u>3,702</u>	\$ <u>3,702</u>	\$ <u>258,094</u>

See Independent Auditor's Report

Schedule 2y

<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
\$ 0	\$ 1,850
0	10,040
0	4,474
0	7,508
<u>2,707</u>	<u>68,931</u>

<u>\$ 2,707</u>	<u>\$ 92,803</u>
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<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
\$ 0	\$ 258,094

Unified School District Number 368

Paola, Kansas

Schedule 3

AGENCY FUNDS
STUDENT ORGANIZATION FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND CASH BALANCES

REGULATORY BASIS

For the year ended June 30, 2014

	Beginning Cash Balance	Cash Receipts	Cash Expenditures	Ending Cash Balance
Sunflower Elementary School				
Yearbook	\$ 0	\$ 4,743	\$ 4,480	\$ 263
Field Trips	0	1,436	1,436	0
T-shirts	0	512	512	0
Student Council (vending)	1,172	1,574	1,542	1,204
Endowment Grant-Roman Barn	0	3,100	3,100	0
Miscellaneous	4,727	8,743	12,993	477
PTO	244	5,546	4,886	904
Donations	5,555	2,540	1,844	6,251
Watch Dogs	0	147	147	0
Outdoor Education	114	0	0	114
Ag in the Class	304	0	304	0
Library	0	203	203	0
Total Sunflower Elementary	\$ <u>12,116</u>	\$ <u>28,544</u>	\$ <u>31,447</u>	\$ <u>9,213</u>
Paola Middle School				
Box Tops for Education	\$ 2,938	\$ 646	\$ 1,520	\$ 2,064
Student Council	2,500	1,465	1,465	2,500
Target (rebates)	790	1,706	1,565	931
Band	121	0	0	121
Drama/Scholarship	3,473	0	679	2,794
Donations	1,901	4,102	2,646	3,357
Teacher of the Year	0	1,000	0	1,000
Promotions	181	2,704	2,788	97
PMS Vocal Music	277	832	1,104	5
Magazine Sales	27,678	25,963	34,302	19,339
Miscellaneous	4,796	13,127	13,047	4,876
Roman-B Mini-Grant	0	1,450	1,450	0
Yearbook	267	7,627	7,758	136
School Book Fair	1,566	3,387	3,377	1,576
Love to Learn	55	2,078	2,103	30
Concessions	250	5,548	5,548	250
F.I.R.S.T. LEGO	1,221	0	0	1,221
Kansas Association	1,166	3,335	2,937	1,564
Cheerleaders	3,207	4,154	4,733	2,628
Athletic Donations	10,000	2,175	2,175	10,000
Total Paola Middle School	\$ <u>62,387</u>	\$ <u>81,299</u>	\$ <u>89,197</u>	\$ <u>54,489</u>

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 3

AGENCY FUNDS
STUDENT ORGANIZATION FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND CASH BALANCES
REGULATORY BASIS
For the year ended June 30, 2014

	Beginning Cash Balance	Cash Receipts	Cash Expenditures	Ending Cash Balance
Paola High School				
Athletic Donations	\$ 10,282	\$ 8,014	\$ 6,942	\$ 11,354
F.B.L.A.	561	0	0	561
Band	1,581	4,143	4,426	1,298
Class of 2012	933	0	0	933
Class of 2013	0	805	805	0
Class of 2014	3,252	666	3,729	189
Class of 2015	2,191	8,544	7,275	3,460
Class of 2016	1,344	837	1,682	499
Class of 2017	236	798	0	1,034
F.C.A.	67	0	0	67
F.F.A.	3,921	34,730	35,442	3,209
FCCLA	1,220	348	910	658
Kansas Associates	339	239	239	339
Madrigals Club	842	8,464	8,792	514
National Honor Society	88	95	123	60
Rat Pack	213	2,002	1,943	272
Robotics	9,408	24,486	21,578	12,316
Scholar Bowl	1,061	1,395	1,354	1,102
Scholarships	620	0	120	500
Spirit Squad	734	14,968	14,656	1,046
S.A.D.D.	509	900	741	668
Student Council	1,880	6,295	7,552	623
Counseling Donations	185	0	0	185
Drama Club	113	8,393	6,843	1,663
Strength Club	194	1,165	1,358	1
Flag Team Club	257	0	0	257
Strength-Ace	2,084	19,191	15,989	5,286
Thespian Club	0	7,365	6,853	512
Drill Team	2,397	4,489	5,090	1,796
Leadership Class	232	7,934	7,199	967
Athletics	1,126	6,381	7,244	263
IHT	482	2,070	1,552	1,000
Reporter	11	3,900	3,866	45
Yearbook Fees	0	28,704	28,704	0
Grant/Ward	384	250	143	491
Drama/Play	0	6,999	6,745	254
Photography	54	0	0	54
Miscellaneous	32	3,489	3,442	79
Media Center	119	1,146	1,265	0
Baseball	344	3,413	3,757	0
Cross Country	1,280	3,415	4,598	97
Softball	1,854	4,609	4,103	2,360
Volleyball	2,561	1,150	1,502	2,209
Wrestling	999	2,078	2,628	449

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 3

AGENCY FUNDS
STUDENT ORGANIZATION FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND CASH BALANCES
REGULATORY BASIS
For the year ended June 30, 2014

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Expenditures</u>	<u>Ending Cash Balance</u>
Paola High School - continued				
Culinary Arts	1,264	0	0	1,264
Donations	<u>0</u>	<u>22,120</u>	<u>22,120</u>	<u>0</u>
Total Paola High School	\$ <u>57,254</u>	\$ <u>255,990</u>	\$ <u>253,310</u>	\$ <u>59,934</u>
Cottonwood Elementary School				
Target	\$ 477	\$ 173	\$ 148	\$ 502
Field Trips	0	7,277	7,277	0
PTO	2,166	5,818	5,978	2,006
Night at the Museum	459	5,725	3,300	2,884
Roman-B Mini-Grant	0	3,000	3,000	0
Teacher of the Year	500	1,500	0	2,000
Library	0	160	160	0
Yearbook	0	3,278	3,278	0
Miscellaneous	0	2,152	2,152	0
Science Department	500	0	96	404
Lowes Education	\$ <u>0</u>	\$ <u>2,820</u>	\$ <u>1,507</u>	\$ <u>1,313</u>
Total Cottonwood Elementary	\$ <u>4,102</u>	\$ <u>31,903</u>	\$ <u>26,896</u>	\$ <u>9,109</u>
Adult Education Center				
Miscellaneous	\$ <u>41</u>	\$ <u>39</u>	\$ <u>43</u>	\$ <u>37</u>
Panther Robotics	\$ <u>1,183</u>	\$ <u>0</u>	\$ <u>47</u>	\$ <u>1,136</u>
Total All Schools	\$ <u>137,083</u>	\$ <u>397,775</u>	\$ <u>400,940</u>	\$ <u>133,918</u>

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH BALANCES
REGULATORY BASIS

For the year ended June 30, 2014

	Unencumbered Cash Balance Beginning	Cash Receipts	Expenditures	Unencumbered Cash Balance Ending
Sunflower Elementary School				
Fees and User Charges				
Activity	\$ 0	\$ 1,817	\$ 1,817	\$ 0
Sales Tax	0	392	392	0
Petty Cash	0	2,225	2,225	0
	<u>0</u>	<u>4,434</u>	<u>4,434</u>	<u>0</u>
Paola Middle School				
Gate Receipts				
Athletics	<u>2,906</u>	<u>35,467</u>	<u>35,873</u>	<u>2,500</u>
Fees and User Charges				
Vending	0	2,430	2,430	0
Activities	3,434	1,409	4,843	0
Petty Cash	0	500	500	0
Sales Tax	0	1,977	1,977	0
Pay to Participate Fees	0	9,966	9,966	0
	<u>3,434</u>	<u>16,282</u>	<u>19,716</u>	<u>0</u>
Paola High School				
Fes and User Charges				
D-Art Fees	0	4,901	4,901	0
Book	0	9,088	9,088	0
Drivers Education	0	11,015	11,015	0
Pay to Participate Fees	0	13,776	13,776	0
Lab	0	218	218	0
Vocational Agriculture	0	520	520	0
Woodworking	0	7,438	7,438	0
Sales Tax	0	11,936	11,936	0
Petty Cash	0	3,900	3,900	0
	<u>0</u>	<u>62,792</u>	<u>62,792</u>	<u>0</u>
Gate Receipts	<u>5,990</u>	<u>63,690</u>	<u>69,680</u>	<u>0</u>

See Independent Auditor's Report.

Schedule 4

Outstanding Encumbrances and Accounts Payable	Cash Balance Ending
\$ 0	\$ 0
0	0
<u>0</u>	<u>0</u>
0	0
<u>0</u>	<u>0</u>
0	2,500
<u>0</u>	<u>0</u>
0	0
0	0
0	0
0	0
<u>0</u>	<u>0</u>
0	0
<u>0</u>	<u>0</u>
0	0
0	0
0	0
850	850
0	0
0	0
231	231
0	0
<u>0</u>	<u>0</u>
<u>1,081</u>	<u>1,081</u>
<u>1,280</u>	<u>1,280</u>

Unified School District Number 368
Paola, Kansas

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH BALANCES
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the year ended June 30, 2014

	Unencumbered Cash Balance <u>Beginning</u>	Cash Receipts	<u>Expenditures</u>	Unencumbered Cash Balance <u>Ending</u>
Cottonwood Elementary School				
Fes and User Charges				
Petty Cash	\$ 0	\$ 200	\$ 200	\$ 0
Sales Tax	0	292	292	0
Activities	<u>0</u>	<u>1,739</u>	<u>1,739</u>	<u>0</u>
	<u>0</u>	<u>2,231</u>	<u>2,231</u>	<u>0</u>
 Total All Schools	 \$ <u>12,330</u>	 \$ <u>184,896</u>	 \$ <u>194,726</u>	 \$ <u>2,500</u>

See Independent Auditor's Report.

Schedule 4

<u>Outstanding Encumbrances and Accounts Payable</u>	<u>Cash Balance Ending</u>
\$ 0	\$ 0
0	0
<u>0</u>	<u>0</u>
0	0
<u>0</u>	<u>0</u>
\$ <u><u>2,361</u></u>	\$ <u><u>4,861</u></u>

Unified School District Number 368
Paola, Kansas

Schedule 5

RELATED MUNICIPAL ENTITY
 ENDOWMENT TRUSTS

SCHEDULE OF RECEIPTS, EXPENDITURES AND ENDING BALANCES
 REGULATORY BASIS
 For the year ended June 30, 2014

	Beginning Balance	Cash Receipts	Cash Expenditures	Ending Balance
Endowment Fund Scholarships				
Bea Mount	\$ 82,390	\$ 12,070	\$ 3,750	\$ 90,710
Carl Gump	147,792	28,946	17,962	158,776
William & Carol Young	218,829	32,051	10,000	240,880
Derek Leis	10,615	2,052	500	12,167
Edna Patterson	237,541	34,924	10,000	262,465
McLaughlin/Boyd/Emery	41,206	6,094	1,500	45,800
Myrtle Haug	28,708	4,222	1,200	31,730
Evening Lions	18,713	2,719	1,000	20,432
Rotary Scholars	21,689	5,022	2,000	24,711
McNelly Scholars	4,465	686	0	5,151
Nettie Hook	75,202	11,514	6,344	80,372
Walter and Lucille Smith	17,679	2,613	650	19,642
Danny Locke	1,650	176	500	1,326
Schwartz Family	53,512	7,829	2,500	58,841
Vivian Kircher	9,482	1,393	400	10,475
Hillsdale Elementary	10,228	1,493	500	11,221
USD #368 Endowment	47,491	41,218	31,510	57,199
Jesse Barker	27,959	4,099	1,250	30,808
Quincy Hipp	8,142	1,196	350	8,988
Tracy Kohl	5,719	801	500	6,020
Stockwell	18,382	2,698	800	20,280
Frances Balocca	2,000	2,000	2,000	2,000
Roman/Barnard	144,040	55,142	7,550	191,632
Ralph and Ersa Wilcox Rossman	31,082	4,463	4,649	30,896
Ellyn Reynolds	294,147	44,305	13,000	325,452
Chloe Hays	3,361	516	624	3,253
Darrel Hurlbut	14,515	2,121	700	15,936
Kevin Armstrong	6,120	893	300	6,713
Diana Green	5,194	759	250	5,703
Lyman & Ingram	3,740	574	0	4,314
Kirk Wilson	12,904	5,295	500	17,699
W.C. Hartley	15,703	2,295	750	17,248
Carl Buchman	21,725	28,751	500	49,976
Vest Family	400,000	61,848	10,000	451,848
E. J. Meeks	0	57,665	0	57,665
Paola County	0	9,516	0	9,516
5 for 5	0	5	0	5
Interest	1,483	2,663	2,744	1,402
Dividends	39,382	99,366	96,571	42,177
Stock Gains/Losses	87,833	274,260	233,639	128,454
Administration	1,083	2,000	1,838	1,245
	<u>\$ 2,171,706</u>	<u>\$ 858,253</u>	<u>\$ 468,831</u>	<u>\$ 2,561,128</u>

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2014

Federal Grant	Federal	Pass		
Pass Through Grantor/Program Title	CFDA	Through	Revenues	Expenditures
	Number	Grantor's		
		Number		
<u>U.S. Department of Education</u>				
<u>Pass Through Kansas Department of Education</u>				
Title I Grants to Local Education Agencies	84.010	D0368	\$ 313,809	\$ 313,809
Special Education Grants to States	84.027	N/A	1,688,508	1,688,508
Vocational Education	84.048	N/A	35,671	35,671
Special Education Preschool	84.173	N/A	53,050	53,050
Improving Teacher Quality	84.367	DO305	44,180	44,180
<u>Pass Through Kansas Department of Regents</u>				
Adult Education	84.002	N/A	132,312	132,312
Total U.S. Department of Education			<u>2,267,530</u>	<u>2,267,530</u>
 <u>U.S. Department of Agriculture</u>				
<u>Pass Through Kansas Department of Education</u>				
School Breakfast Program	10.553	N/A	77,637	77,637
National School Lunch Program	10.555	N/A	387,531	387,531
State Administrative Expense				
for Child Nutrition	10.560	N/A	100	100
Team Nutrition Grants	10.574	N/A	66	66
Total U.S. Department of Agriculture			<u>465,334</u>	<u>465,334</u>
 <u>U.S. Department of Health and Human Services</u>				
<u>Pass Through Kansas Department of Children & Families</u>				
Title VI	93.938	N/A	160	160
 Total revenues and expenditures of federal awards			<u>\$ 2,733,024</u>	<u>\$ 2,733,024</u>

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2014

NOTE A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Unified School District Number 368 under programs of the federal government for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a select portion of the operations of Unified School District Number 368, it is not intended to and does not present the summary of receipts, expenditures and unencumbered cash of Unified School District Number 368.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the Schedule of Expenditures of Federal Awards are reported based upon the Kansas Municipal Audit and Accounting Guide.

NOTE C. SUBRECIPIENTS

Unified School District Number 368 did not provide federal awards to any sub-recipient for the year ended June 30, 2014.

SPECIAL REPORTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Education
Unified School District Number 368
Paola, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statement of Unified School District Number 368 as of and for the year ended June 30, 2014, and the related notes to the financial statement, which comprise the District's regulatory basis financial statements and have issued our report thereon dated October 6, 2014. The District prepares its financial statements on a regulatory basis of accounting which demonstrates compliance with *Kansas Municipal Audit and Accounting Guide*, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the District's internal control over financial reporting (internal controls) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing our opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cyler & Shedd, Chartered

October 6, 2014
Ottawa, Kansas

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Education
Unified School District Number 368
Paola, Kansas

Report on Compliance for Each Major Federal Program

We have audited Unified School District Number 368's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on each Major Federal Program

In our opinion, the District complied in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with *OMB-Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based upon requirements of *OMB Circular A-133*. Accordingly, this report is not suitable for any other purpose.

Opfer & Goedert, Chartered

October 6, 2014
Ottawa, Kansas

**Unified School District Number 368
Paola, Kansas**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2014**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? No
 Significant deficiencies identified not considered to be material weaknesses: None reported
 Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No
 Significant deficiencies identified not considered to be material weaknesses: No
 Type of auditor's report issued on compliance for major programs: Unqualified
 Any audit findings disclosed that are required to be reported in accordance with
 OMB Circular A-133, Section .510(a)? No

Identification of major programs:

<u>CFDA Number's</u>	<u>Name of Federal Program or Cluster</u>	<u>Amount</u>
84.010	Title I	\$ 313,809
84.027	Special Education EHC Flo-thru	1,688,508
84.173	Special Education Preschool	53,050

Dollar threshold used to distinguish between Type A and Type B programs 300,000

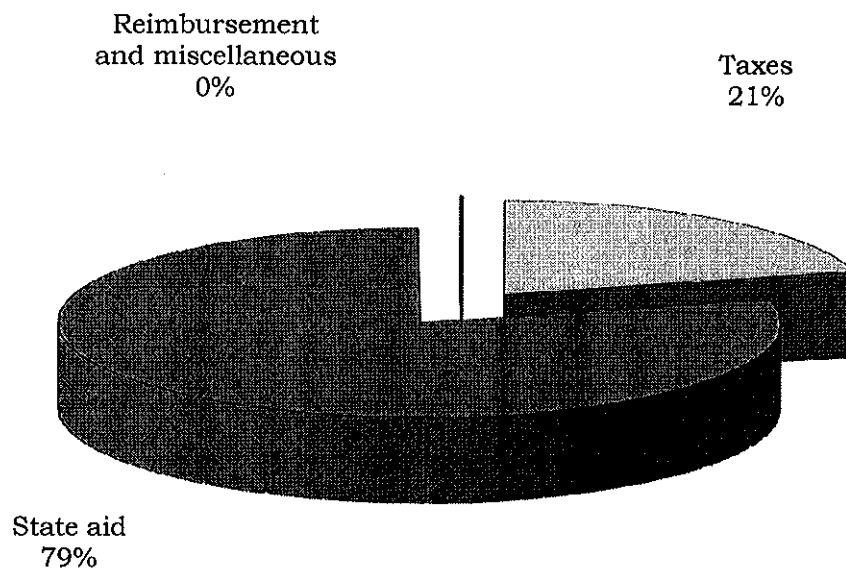
Auditee qualified as a low-risk auditee? Yes

Graphs

Unified School District Number 368
Paola, Kansas

GENERAL FUND CASH RECEIPTS
Year ended June 30, 2014

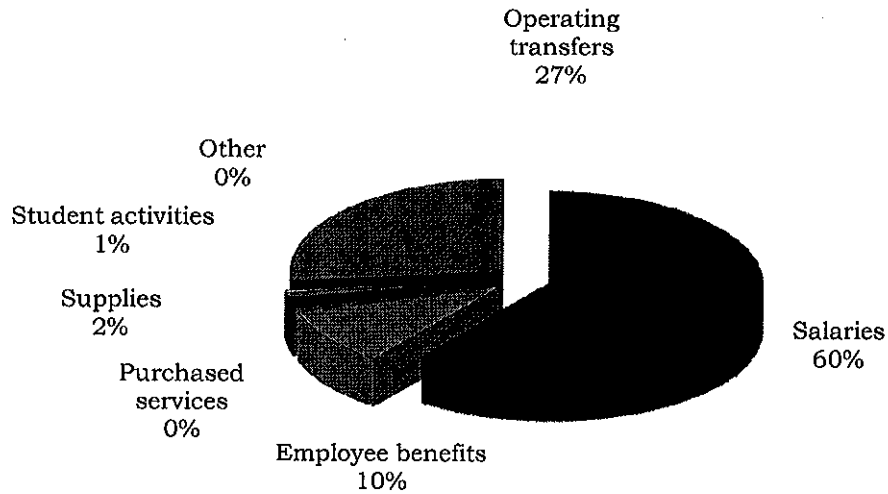
Taxes	\$ 2,401,321
State aid	9,030,408
Reimbursement and miscellaneous	<u>13,576</u>
Total revenues	<u><u>\$ 11,445,305</u></u>



Unified School District Number 368
Paola, Kansas

GENERAL FUND EXPENDITURES BY TYPE
Year ended June 30, 2014

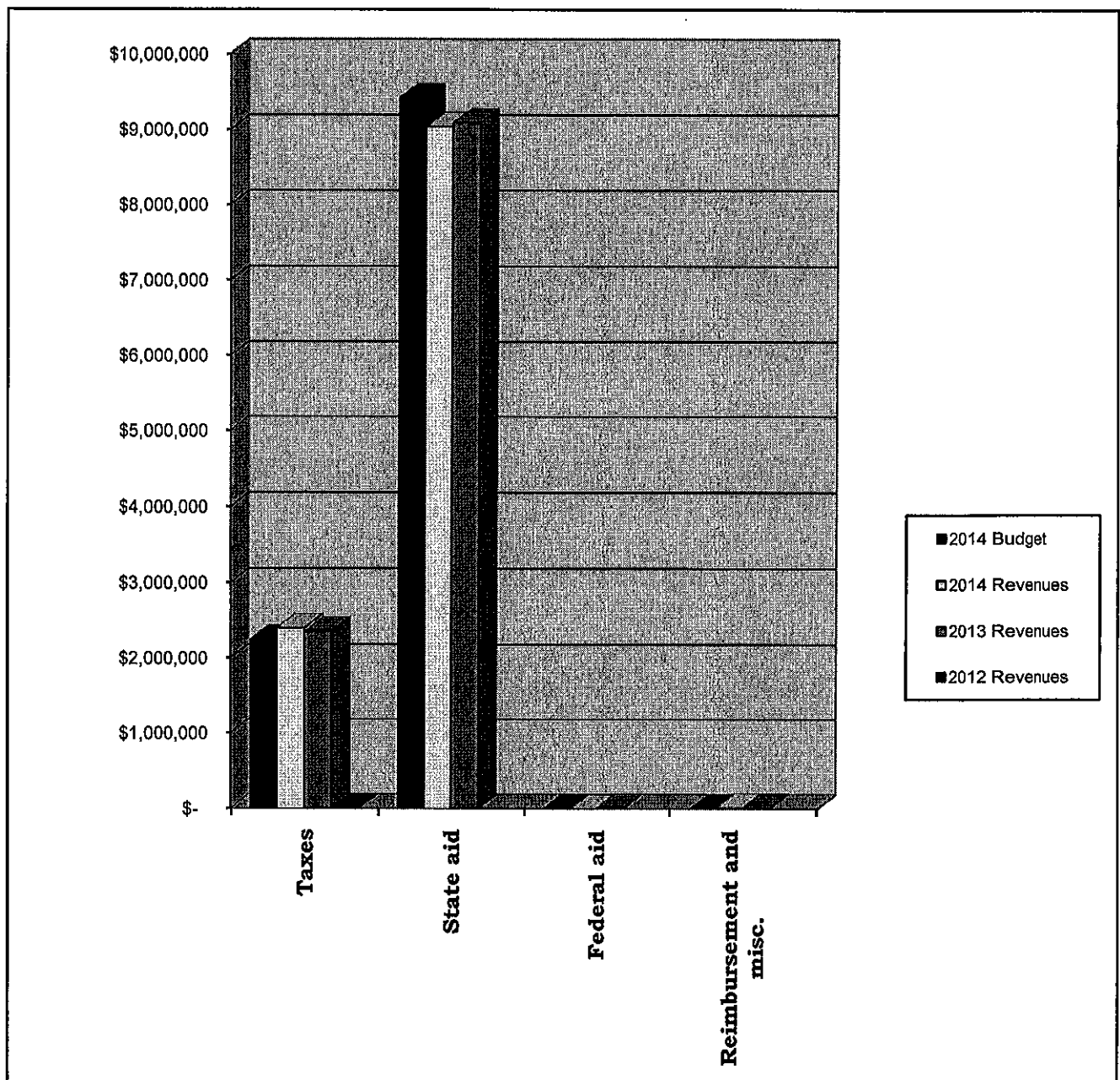
Salaries	\$ 6,887,905
Employee benefits	1,150,627
Purchased services	19,723
Supplies	180,592
Student activities	89,478
Other	45,247
Operating transfers	<u>3,071,733</u>
Total expenditures	<u><u>\$ 11,445,305</u></u>



Unified School District Number 368
Paola, Kansas

GENERAL FUND CASH RECEIPTS AND BUDGET
Year ended June 30, 2014, 2013 and 2012

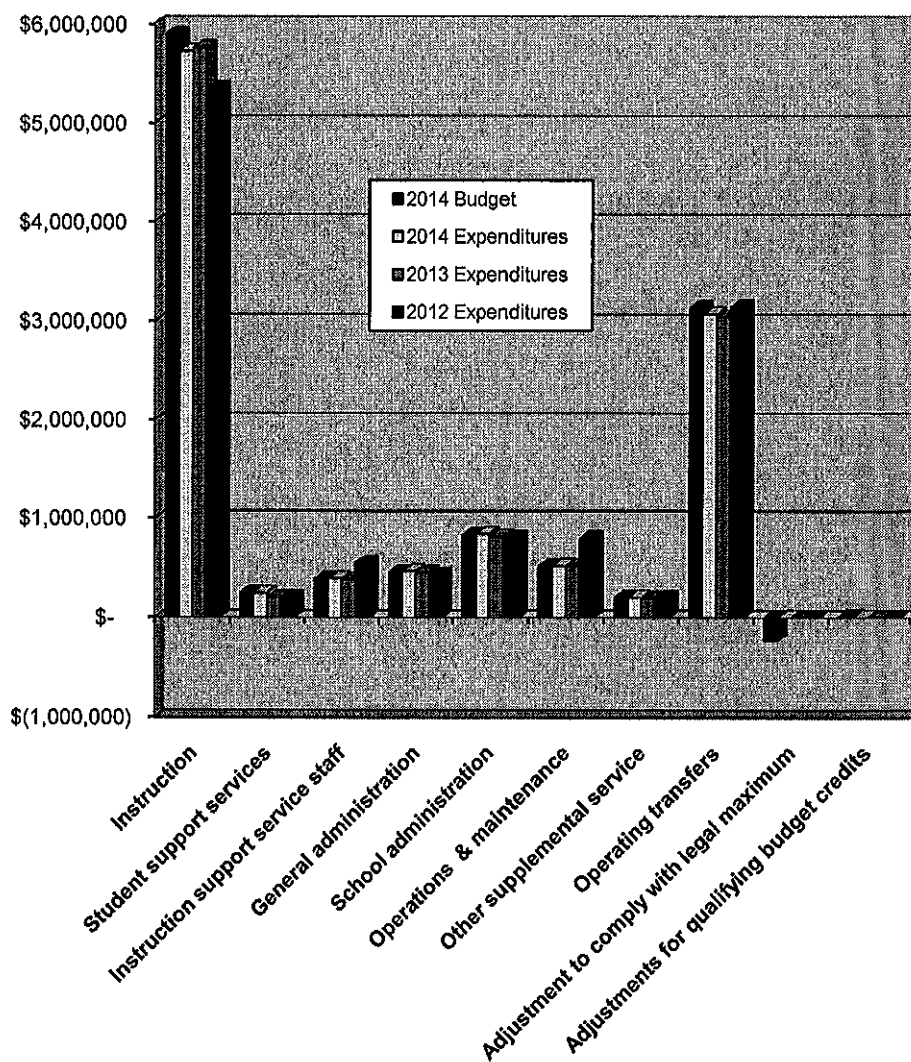
	2014 Budget	2014 Revenues	2013 Revenues	2012 Revenues
Taxes	\$ 2,246,898	\$ 2,401,321	\$ 2,357,488	\$ 2,354,002
State aid	9,413,330	9,030,408	8,962,693	9,082,159
Federal aid	0	0	0	5,227
Reimbursement and misc.	0	13,576	17,456	17,711
Total revenues	\$ 11,660,228	\$ 11,445,305	\$ 11,337,637	\$ 11,459,099



Unified School District Number 368
Paola, Kansas

GENERAL FUND EXPENDITURES AND BUDGET
Year ended June 30, 2014, 2013 and 2012

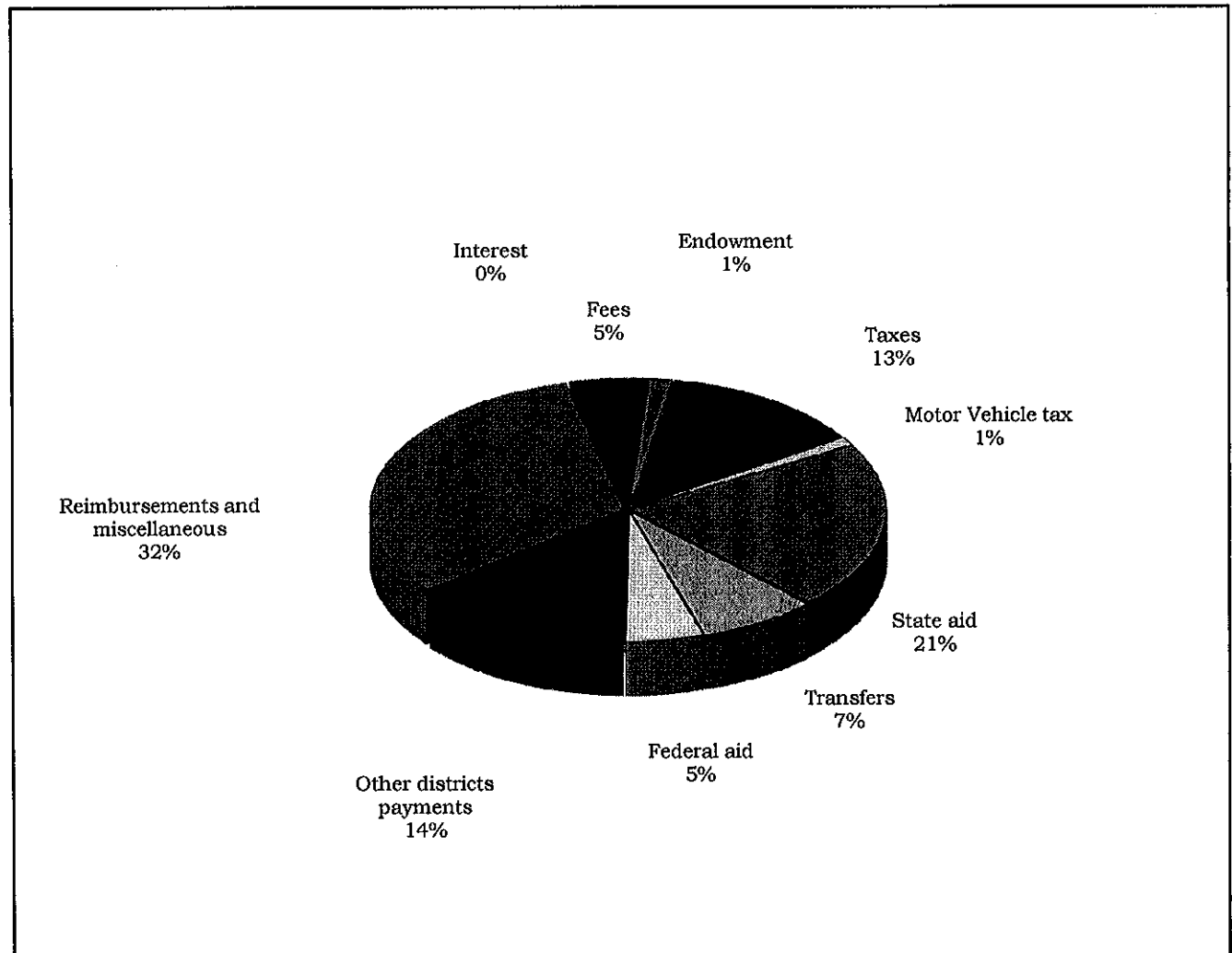
	2014 Budget	2014 Expenditures	2013 Expenditures	2012 Expenditures
Instruction	\$ 5,894,877	5,723,919	5,758,042	5,350,855
Student support services	246,950	243,139	197,124	193,584
Instruction support service staff	386,850	386,453	378,108	545,826
General administration	453,200	464,820	449,635	430,610
School administration	833,250	842,792	813,619	799,080
Operations & maintenance	509,700	514,450	509,770	796,246
Other supplemental service	199,000	197,999	190,773	197,313
Operating transfers	3,136,401	3,071,733	3,040,566	3,145,585
Adjustment to comply with legal maximum	(225,675)	0	0	0
Adjustments for qualifying budget credits	10,752	0	0	0
Total expenditures	\$ 11,445,305	\$ 11,445,305	\$ 11,337,637	\$ 11,459,099



Unified School District Number 368
Paola, Kansas

CASH RECEIPTS FOR ALL FUNDS
Year ended June 30, 2014

Taxes	\$ 8,066,744
Motor Vehicle tax	615,515
State aid	13,093,786
Transfers	4,608,823
Federal aid	3,106,708
Other districts payments	8,662,887
Reimbursements and miscellaneous	19,963,917
Interest	26,704
Fees	3,068,602
Endowment	921,834
	<hr/>
Total revenues	<u><u>\$ 62,135,520</u></u>



Unified School District Number 368
Paola, Kansas

EXPENDITURES FOR ALL FUNDS
Year ended June 30, 2014

Instruction	1	\$ 25,010,054
Student support services	2	1,265,610
Instruction support service staff	3	431,846
General administration	4	3,002,435
School administration	5	918,618
Special area administration	6	196,903
Operations & maintenance	7	1,986,665
Other supplemental services	8	319,628
Operating transfers	9	4,608,823
Vehicle operation	10	909,041
Facility acquisition & construction	11	1,287,800
Food service operation	12	966,368
Debt service	13	1,536,136
Trust Fund	14	61,196
Endowment Trust	15	468,831
District activity at building level	16	194,726
Total expenditures		<u>\$ 43,164,680</u>

